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April 3, 2006

Mr. James Peacock
 UTAH BOARD OF OIL GAS & MINING
 Department of Natural Resources
 1594 West North Temple, Suite 1210
 Salt Lake City, Utah 84114-5801

RECEIVED
 APR 06 2006
 4/6/06
 DIV. OF OIL, GAS & MINING

Inc. 007/0045

Re: Notice of Administrative Appeal

Dear Mr. Peacock:

On behalf of Covol Engineered Fuels, LC ("Covol"), and pursuant to Utah Admin. Code R641-105-100, and Utah Code Ann. § 63-46b-3(a), Covol hereby requests a hearing before the Board of Oil, Gas and Mining (the "Board") through formal adjudicative procedures to challenge the *Determination to Permit Under the Surface Mining Control and Reclamation Act, C/007/0046*, issued by the Division of Oil, Gas & Mining ("DOGM"), dated March 17, 2006 (the "Mine Permit Determination"). Covol further states that it is the only person or entity known to be adversely affected by the Mine Permit Determination.

While I have only recently received the files regarding this matter, it appears that numerous erroneous factual assumptions underlie the Mine Permit Determination. Furthermore, DOGM has misconstrued and misapplied both state and federal laws and regulations that apply, including those which circumscribe DOGM's jurisdiction.

As a procedural matter, Covol is not requesting a hearing within 30 days of this request, but has agreed with Mr. Steve Alder to meet to attempt to work out an appropriate scheduling order and stipulations to govern this proceeding for joint submission to the Board.

If you have legal counsel that will be assigned the case, please provide the name and I will contact him or her to discuss procedural matters.

Sincerely,

Craig D. Galli
 of Holland & Hart LLP

CDG:bwt

cc: Ms. Mary Ann Wright (Associate Director, Mining)
 Mr. Steve Alder (Office of Attorney General)
 Mr. Harlan Hatfield, Esq. (Covol)

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